

State of Tennessee
Deferred Compensation 401(k) Plan



SEND COMPLETED FORM TO:

Great-West/BenefitsCorp
545 Mainstream Drive, Suite 407
Nashville, TN 37228

HARDSHIP WITHDRAWAL REQUEST

Please read instructions on reverse side before completing this form.

615-244-1030 / 800-922-7772 (2)

Last Name		First Name		Middle Initial	
Address					
City		State		Zip	
Home Phone		Office Phone			
Social Security #					
Gross Monthly Salary					
Birthdate	Month	Day	Year		
Department or School					

Hardship Withdrawal Amount

Total Expenses Created by Hardship

Actual Expenses (attach documentation) \$ _____
Less: Amount covered by Insurance \$ _____
Less: Amount covered by Savings or Sale of Assets \$ _____
Expenses Remaining \$ _____
AMOUNT REQUESTED \$ _____

- ☐ Total Account Withdrawal
☐ Partial Account Withdrawal

If approved, your distribution will be taken proportionately from all investments.

Reason for Withdrawal

My financial hardship is due to the following circumstances:

- ☐ Non-reimbursed medical expenses
☐ Purchase of my principal residence
☐ Funeral expenses for immediate family
☐ Post-secondary education tuition
☐ Prevention of eviction or foreclosure

Proper documentation must be attached to substantiate your circumstances. Please submit documentation as described on the Hardship Rules Sheet. This application will be returned to you if the required documentation is not included.

Federal Tax Withholding

The hardship distribution you receive from this plan is a taxable distribution subject to federal income tax withholding unless you elect not to have withholding apply. Please note that you may also be subject to tax penalties if your withholding/estimated tax payments are insufficient. If an election is NOT made, taxes will be withheld at the rate of 10%.

- ☐ Do withhold federal income tax from my hardship withdrawal.
☐ Do not withhold federal income tax from my hardship withdrawal.

I hereby request the hardship withdrawal as indicated above. Pursuant to the Plan's hardship withdrawal rules, I hereby certify that I have no further financial resources to meet my financial hardship. As evidenced by the attached documentation, the amount requested does not exceed the amount required to meet the immediate and heavy financial need created by the circumstance(s) indicated above. I am not eligible to obtain any other type of distribution from the Deferred Compensation Program and I have obtained all loans available from the Plan. I understand that if my request is approved I will not be permitted to make deferrals under the State of Tennessee Deferred Compensation Program for twelve months. All facts presented are true. Upon request of the Plan Administrator, I agree to furnish further documentation of my financial hardship.

Participant's Signature		Date	
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Notarization

State of _____ County of _____. Personally appeared before me on this _____ day of _____, 20____, the within named _____ and makes oath that he/she executed the foregoing instrument.

Place Seal Here

Notary Signature _____ My Commission Expires _____

REVIEW COMMITTEE USE ONLY

Deferrals Suspended: ____/____/____ 401(k) ____/____/____ 457 Loan status _____ Amount Available \$ _____
Date Received: ____/____/____ Review Date: ____/____/____ ☐ Approved ☐ Denied Amount Approved \$ _____
Comments: _____
Authorized Signature _____ Date: ____/____/____

401(K) HARDSHIP WITHDRAWAL REQUEST
INSTRUCTIONS

1. Before completing this form, read the “Hardship Withdrawal Rules” which will explain the provisions of the plan and IRS regulations.
2. Attach documentation of the expenses created by your hardship to this form. Refer to the “Hardship Withdrawal Rules” for specific instructions regarding required documentation.
3. Incomplete forms will be returned to you and will delay processing of your request.
4. Have your signature notarized, then submit the completed form and documentation to:

BenefitsCorp
545 Mainstream Dr., Suite 407
Nashville, TN 37228

401(K) HARDSHIP WITHDRAWAL REQUEST RULES

WHAT TYPES OF REQUESTS WILL BE CONSIDERED?

If your request creates a heavy and immediate financial need for you and meets one or more of the following requirements, it will be considered:

1. Necessary medical expenses not reimbursable by an insurance plan which have been incurred by you, your spouse or any of your dependents, or that are necessary for these persons to obtain necessary medical care;
2. Purchase (excluding mortgage payments) of your personal primary residence (but not for purchase of residence for anyone else);
3. Funeral expenses for an immediate family member that exceed life insurance coverage;
4. Payment of tuition, related educational fees, and room & board expense for the next 12 months of post-secondary education for yourself, your spouse, children or dependents; or
5. The need to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.

WHAT IS A HEAVY AND IMMEDIATE FINANCIAL NEED?

A heavy and immediate financial need is a need that cannot be met:

1. Through reimbursement or compensation by insurance or otherwise,
2. By reasonable liquidation of your assets, to the extent that such liquidation would not itself cause an immediate and heavy financial need,
3. By cessation of deferrals under the plan,
4. By other distributions or nontaxable loans from plans maintained by the state or any other employer, or by borrowing from commercial sources on reasonable commercial terms.

Your resources for determination of financial need include those assets of your spouse and minor children which are reasonably available to you. Thus, for example, a vacation home owned by you and your spouse will be deemed your resource. However, property held for your child under an irrevocable trust or under the Uniform Gift to Minors Act will not be treated as your resource.

WHAT OTHER REQUIREMENTS HAVE TO BE MET?

1. The distribution may not be greater than the actual amount of your immediate and heavy financial need.
2. You must have obtained all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans maintained by the state. If your 401(k) account balance exceeds \$4,000, you must have applied for a loan from the 401(k) plan before submitting a 401(k) Hardship Request. You may qualify for an exemption from the loan requirement if the hardship request is for the purpose of purchasing a primary residence for yourself and obtaining a plan loan would disqualify you from obtaining other necessary financing.
3. Your deferrals, under this plan and all other plans maintained by the state, will be suspended for twelve months. You will need to complete a 401(k) SRA to restart your deferrals.

HOW IS THE AMOUNT OF THE HARDSHIP DISTRIBUTION DETERMINED?

1. If you meet the requirements listed on the reverse side, the amount of the hardship distribution will be equal to the actual financial need as documented on your financial hardship application. If your available account balance is less than your financial need, then the lesser amount will be paid to you.
2. The amount of interest (or earnings) credited to your account after 12-31-88 may not be withdrawn due to hardship. Under federal regulations, earnings credited after 12-31-88 may only be withdrawn upon termination, attainment of age 59-1/2, or death.
3. Employer matching funds may only be withdrawn upon termination, attainment of age 59-1/2, or death.

IS THE HARDSHIP DISTRIBUTION TAXABLE?

The hardship distribution you receive from this plan is a taxable distribution subject to 10% Federal Income Tax withholding unless you elect not to have withholding apply. If you have sufficient funds in your account, the hardship amount you request may include an additional amount to cover tax withholding.

In addition to paying ordinary income tax on the withdrawal, your withdrawal may also be subject to a 10% IRS early withdrawal penalty. The 10% IRS early withdrawal penalty is not withheld.

HOW DO I APPLY FOR A HARDSHIP?

Write or call BenefitsCorp's Nashville office for the appropriate form. You will need to complete a "Hardship Withdrawal Request" form. Documentation of the reason for the request must accompany the application.

Appropriate documentation will depend on the type of request. Examples of the type of documentation which should be submitted include the following:

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| 1. Non-reimbursed medical expense: | Provide the name and telephone number of your medical provider and your spouse's medical provider. Attach copies of the medical bills and your <u>insurance provider's Explanation of Benefits statements</u> (EOBs) showing the amounts covered and not covered by insurance. |
| 2. Purchase of your principal residence: | Attach copies of the contract and mortgage application. |
| 3. Funeral expenses: | Provide a copy of the bill showing that you are the responsible party and a statement indicating the amount of life insurance coverage carried by the deceased. |
| 4. Tuition expenses: | Attach a copy of the college or university's bill showing the amount you owe for the next semester, quarter, or 12 month period. |
| 5. Threat of foreclosure: | Provide a copy of the notice you have received from your mortgage company or landlord regarding the implementation of eviction or foreclosure proceedings and evidence of the balance due. |

All requests are reviewed by the Plan Committee.